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Wheat Situation

Economics and
Statistics, Service

U.S. Department of
Agricultural

WS-254

NOVEMBER
1980

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TABLE 1.--WHEAT: MARKETING YEAR SUPPLY, DISAPPEARANCE, AREA AND PRICES, 1976-80 *

YEAR BEGINNING JUNE 1	SUPPLY: BEGINNING STOCKS	SUPPLY: PRODUCTION	SUPPLY: IMPORTS 1/	SUPPLY: TOTAL	DISAPPEARANCE: DOMESTIC USE: FOOD	DISAPPEARANCE: DOMESTIC USE: ALC. BEVERAGES	DISAPPEARANCE: DOMESTIC USE: SEED	DISAPPEARANCE: DOMESTIC USE: FEED 2/	DISAPPEARANCE: DOMESTIC USE: TOTAL	DISAPPEARANCE: EXPORTS 1/	DISAPPEARANCE: TOTAL DISAPPEARANCE	ENDING STOCKS MAY 31: GOVT. OWNED	ENDING STOCKS MAY 31: PRIVATELY OWNED 3/	ENDING STOCKS MAY 31: TOTAL
	MILLION BUSHELS													
1976/77	665.3	2,142.4	2.7	2,810.3	588.0	0.1	92.0	68.4	748.6	849.5	1,698.1	---	1,112.2	1,112.2
1977/78	1,112.2	2,036.3	1.9	3,150.5	586.5	0.1	80.0	183.3	849.9	1,123.9	1,973.8	45.7	1,131.0	1,176.7
1978/79	1,176.7	1,797.5	1.9	2,976.1	591.8	0.1	87.0	178.4	857.3	1,194.1	2,051.4	50.2	874.5	924.7
1979/80 4/	924.7	2,141.7	2.1	3,068.6	595.3	0.1	101.0	94.1	790.5	1,375.2	2,165.7	141.7	761.2	902.9
1980/81 5/	903	2,362 (±35)	2	3,267 (±35)	605 (±5)	---	105 (±5)	125 (±50)	835 (±55)	1,525 (±100)	2,360 (±125)	N.A.	N.A.	907 (±125)

YEAR BEGINNING JUNE 1	AREA: NAT. PROGRAM	AREA: SET-ASIDE AND DIVERTED	AREA: PLANTED	AREA: HARVESTED FOR GRAIN	YIELD: PER HARVESTED ACRE	AVERAGE PRICES: RECEIVED BY FARMERS	AVERAGE PRICES: CHICAGO NO. 2 SOFT RED WINTER	AVERAGE PRICES: KANS. CITY NO. 1 HARD RED WINTER, ORD. PROT.	AVERAGE PRICES: MINNEAPOLIS NO. 1 DARK N. SPRING, 13% PROT.	AVERAGE PRICES: NATIONAL AVG. LOAN RATE	GOVT. SUPPORT PROGRAM: TARGET PRICE	GOVT. SUPPORT PROGRAM: TOTAL PAYMENTS TO PARTICIPANTS 6/
	MILLION ACRES				BUSHELS	DOLLARS PER BUSHEL						MIL. DOL.
1976/77	61.6	---	80.2	70.8	30.3	2.73	2.81	2.88	3.23	2.25	2.29	145
1977/78	62.2	---	75.1	66.5	30.6	2.33	2.56	2.72	2.83	2.25	7/ 2.90	1,243
1978/79	58.8	9.6	66.3	56.9	31.6	2.98	3.57	3.38	3.33	2.35	3.40	822
1979/80 4/	70.1	8.2	71.6	62.6	34.2	3.82	4.24	4.25	4.21	2.50	3.40	135
1980/81 5/	76.0	---	80.9	71.6	33.0	3.95 - 4.25				3.00	3.63	210

1/ IMPORTS AND EXPORTS INCLUDE FLOUR AND OTHER PRODUCTS EXPRESSED IN WHEAT EQUIVALENT. 2/ RESIDUAL; APPROXIMATES FEED USE. 3/ INCLUDES OUTSTANDING AND RESERVE LOANS. 4/ PRELIMINARY. 5/ PROJECTED. 6/ INCLUDES DEFICIENCY, DIVERSION, DISASTER AND RESERVE STORAGE PAYMENTS. 7/ UNPLANTED PORTION OF ALLOTMENT QUALIFIED FOR $2.47. N.A.=NOT AVAILABLE. *TOTALS MAY NOT ADD DUE TO ROUNDING.

THE WHEAT SITUATION

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SUMMARY

Wheat Prices Advance Despite Record Supply

The 1980 U.S. wheat crop developed through a variety of conditions—from drought to excessive rains—but reached a record 2.36 billion bushels, 10 percent larger than last year. On the strength of this crop, total 1980/81 marketing year supplies rose to 3.3 billion bushels, also the largest ever.

But the price dampening effects of the larger wheat supply have been more than offset. While wheat prices began the season below year-ago levels, prospects for record disappearance—particularly strong exports—coupled with cautious farmer marketing and reduced feed grain and oilseed supplies, have boosted prices well above last year. Wheat in the farmer-owned reserve was released in late October when farm prices reached $4.20 a bushel. For the season, the average farm price is expected to range from $3.95 to $4.25 compared with 1979/80's $3.82.

Expectations of another banner U.S. export year were heightened further when China's import requirements were revised upward and it became apparent that Southern Hemisphere countries would have reduced exportable supplies. Thus, total U.S. exports in 1980/81 are expected to top 1.5 billion bushels for the first time. The U.S. share of international wheat trade in 1980/81 is projected at 46 percent compared with 44 percent in 1979/80.

Global wheat production in 1980/81 is forecast at around 440 million tons, 5 percent above the low outturn in 1979. Except for India and China, all major Northern Hemisphere producers harvested larger crops. Dry conditions have reduced crop prospects significantly in the Southern Hemisphere. Total utilization at 447 million tons, implies a further drawdown of world wheat stocks in 1980/81 of about 7 million tons. Thus, yearend stocks, estimated at 72 million tons, would represent 16 percent of the world's yearly utilization, the lowest level since before 1960.

U.S. domestic use may rise slightly because of an expected expansion in wheat feeding and continuing

growth in food use. Since total 1980/81 disappearance will absorb most of the record crop, end-of-season stocks will remain close to last June's 903 million bushels.

The supplies of the various wheat classes vary considerably this year. Record harvests of Hard Red, Soft Red, and White winter wheats mean alltime high supplies for each—up 7, 36, and 25 percent respectively from last season. In turn, the adverse weather hit the spring wheat crops, reducing production prospects and creating some quality problems. This year's Hard Red Spring supply is down by 12 percent and Durum by 15 percent.

Wheat producers had no planting restrictions for their 1980 crop. Prices are holding relatively strong in spite of the record crop. With current prospects pointing toward higher price levels next season, and no set-aside requirements for the 1981 crop, producers are likely to expand their plantings—possibly to a record acreage.

THE 1980/81 SITUATION

Another Record Wheat Crop Means Alltime High Supply

The 1980 U.S. wheat crop developed through a variety of conditions—from drought to excessive rains—but the hardiness of the wheat plant was again evident as the October 1 crop estimate was a record 2.36 billion bushels, up 10 percent from last year. Chances are 2 out of 3 that this forecast will not differ from the final production by more than 35 million bushels. A 14-percent increase in harvested acreage more than offset lower yields—33.0 bushels per acre, compared with a record 34.2 bushels in 1979.

The 1980 *winter wheat* crop was planted under dry soil conditions in the Southern Plains but was followed by a mild winter which minimized freeze damage. A wet, cool spring caused late maturing of the crop and delayed the harvest, but producers garnered a record 1.88 billion bushels. The average winter wheat yield of 36.1 bushels per acre was less than a bushel short of 1979's record although there were marked regional variations. White winter wheat yields in the Pacific Northwest increased sharply, helping to produce a record crop; Hard Red Winter yields averaged slightly lower in southern areas but were record high in western regions; and eastern Soft Red yields were records in many States.

Responding to advancing 1979/80 *Durum* prices, growers upped plantings 35 percent last spring. But persistent drought in Durum areas lowered yields by 5 bushels, so on balance, the crop of 107 million bushels was virtually the same as last year. Cool, wet weather in the Northern Plains delayed the harvest causing over half of the crop to suffer sprout damage.

Growers of *other spring wheat* also increased planted acreage by 12 percent. But the same drought conditions and rain-delayed harvest turned a potential record harvest into the smallest crop in 5 years. Total production of other spring wheat consisted of 315 million bushels of Hard Red Spring and 61 million bushels of White wheat. Yields are expected to average 25.5 bushels per harvested acre, down from 28.2 bushels a year ago.

Wheat: Supply and disappearance

Item	June-September	
	1979	1980
	Million bushels	
June 1 stocks	925	903
Production	2,142	2,362
Total supply[1]	3,067	3,265
Exports	511	518
Food	198	198
Seed	33	33
Feed	53	50
Total disappearance	795	799
October 1 stocks	2,272	2,466

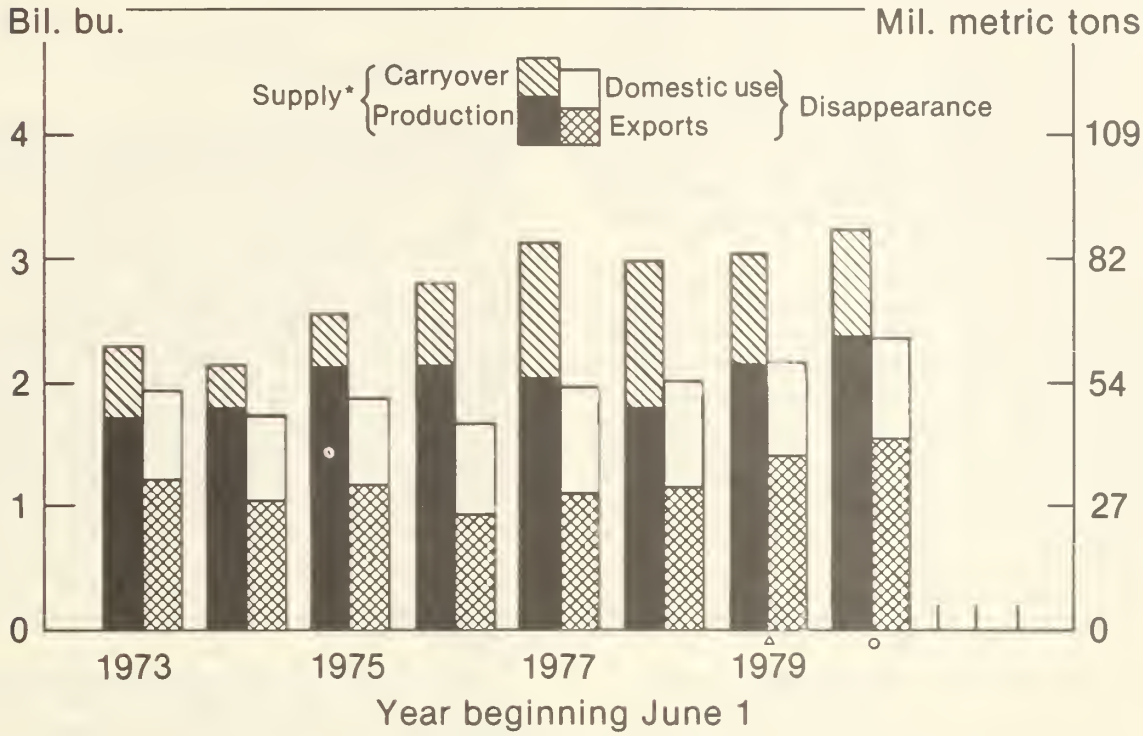
[1] Includes imports.

Overall, the quality of the 1980 winter wheat crop—Hard Red, Soft Red, and White—is probably the highest in many years, with increased protein levels for the hard breadmaking wheat, and optimally low protein levels for the soft pastry wheats. Quality of Durum and Hard Red spring wheats suffered widespread sprout damage while White spring was relatively unaffected.

Food Use Slow; Feed Use Expands

While mill grind and flour exports were down during June-September, apparent wheat food use (wheat ground for flour less flour exports) was about on par with a year ago. This was because the heavy grind for the same period last year also reflected strong flour exports. Millers and bakers, who had expected lower prices because of the record wheat supply, have instead seen cash price advances and record wide basis levels (premium of futures over cash bids). This may slow early season buying but 1980/81

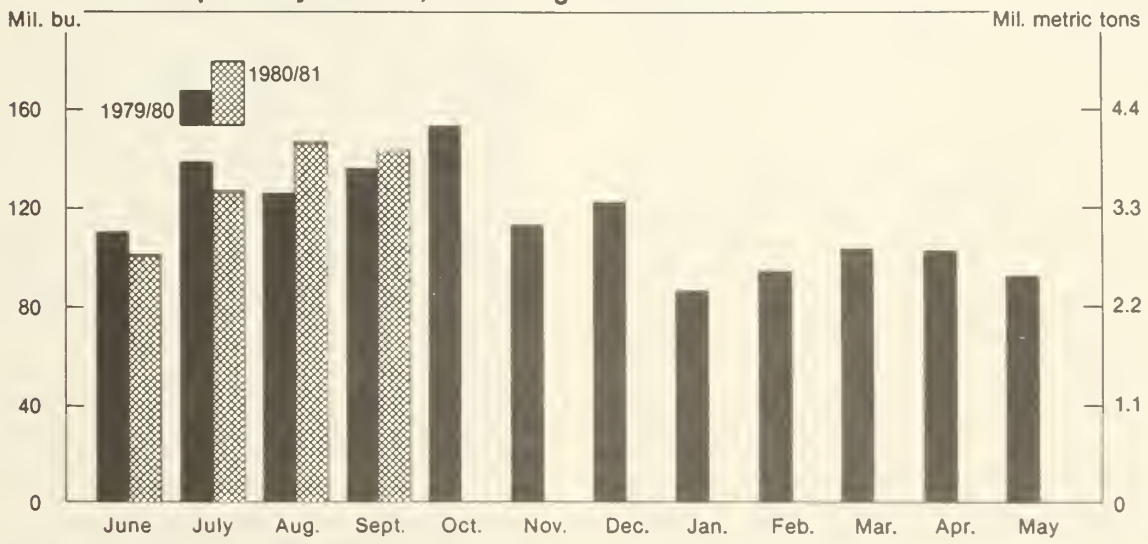
Wheat Supply and Disappearance



*Includes imports. △Preliminary. ○Projected.

USDA Neg. ESS 2117-80 (10)

U.S. Wheat Exports By Months, Marketing Years 1979/80 and 1980/81



Includes flour and products in wheat equivalent.

USDA Neg. ESS 31-80 (10)

food consumption of wheat products is still expected to be up slightly—605 million bushels (grain equivalent) compared with 596 million in 1979/80.

This year's domestic consumption of Durum in pasta products is likely to show a dip in its market growth trend. Market prices, which have climbed to near $8 per bushel, reflect a tighter situation for high quality Durum resulting from extensive sprout damage to the crop. Pasta manufacturers are likely to resort to increased blending of hard wheat farina and semolina to hold product costs down and deter price rises at the supermarket.

The volume of wheat fed to livestock usually varies inversely with the price of wheat. It can also be responsive to increased quantities of poor quality wheat from a damaged crop and reduced availability of feed grains. The October Grain Stocks Report implies June-September wheat feeding was around 50 million bushels, the same as a year earlier. Reduced harvesttime prices may have promoted some wheat feeding in the Southern Plains. Damage to the spring wheat crops may add to the volume fed in the Northern Plains. For the year, the volume of wheat fed to livestock could total 125 million bushels, compared with about 95 million last season.

Reported Bread Prices Again Available

In June 1978, the Labor Department's Bureau of Labor Statistics (BLS) stopped reporting the monthly average U.S. retail price of white pan bread (see page 8, *Wheat Situation*, WS-246, November 1978). The reported price was a major input used in USDA's longtime farm to retail margin analysis of white pan bread. In September 1980, BLS resumed reporting retail bread prices (see table). These current retail bread prices will be incorporated in a new bread margin analysis that will be available in late 1981. When it becomes available, the new series will be reported in *Wheat Situation* reports. A complete review of the bread margin analysis and methods is underway.

U.S. Average retail prices for Cereals and Bakery Products, July - August, 1980

Cereals and bakery products:	July	August
	Dollars per 1-pound	
Flour, white, all purpose	$0.214	$0.215
Rice, white, long grain, precooked	1.243	1.236
Rice, white, long grain, uncooked	.523	.518
Spaghetti	.686	NA
Bread, white pan	.511	.507
Bread, French	.784	.784
Bread, whole wheat, pan	.735	.741
Bread, wheat blend, pan	.641	.630
Rolls, hamburger	.747	757
Cupcakes, chocolate	1.567	1.610
Cookies, chocolate chip	1.532	1.600
Crackers, soda, salted	.834	.821

Wheat Exports Expand

Despite prospects for an improved 1980 world wheat harvest, global import demand is expected to exceed last year's record 85 million tons by over 4 million. The U.S. share of this market partly depends on supplies available from other exporting countries and their export sales policies. The early season export outlook indicated that growing world demand and reduced availability in some exporting countries would result in another banner year for U.S. foreign wheat sales. At that time, U.S. exports were forecast at 1.45 billion bushels, 5 percent above 1979/80's all-time high. Since then, the outlook has brightened further as import requirements, particularly from China, have been revised upward and dry weather has caused diminished exportable supply prospects for major producing countries in the Southern Hemisphere. The U.S. export forecast now stands at around 1.53 billion bushels, over 10 percent above 1979/80.

As of late October, total export commitments (outstanding sales plus shipments), represent nearly two-thirds of the season's total projected volume which about matches last year's export activity. However, to achieve the expected 150-million-bushel increase in exports this season will require accelerated export activity during the last half of the marketing year.

Wheat Prices Advance Above Year-Ago Level

During June-July, the prospect of record 1980/81 supplies kept wheat prices below 1979 levels. But cautious producer marketing, a pickup in export sales, reduced U.S. feed grain and oilseed prospects, and further crop deterioration in major Southern Hemisphere exporting countries advanced prices in September and October to above a year ago. In late October, the national average farm price surpassed $4.20 per bushel, releasing about 100 million bushels from the farmer-owned reserves I and III. Another 115 million bushels remain in reserve II, which has a $4.50 release price. Wheat prices will likely follow a normal pattern of seasonal strength through the remainder of 1980/81. This outlook is consistent with distant months of the futures market. For the season, the average farm price may range from $3.95 to $4.25, 10 to 40 cents higher than last season's $3.82. Factors which may sustain strong prices include:

Any further crop deterioration in the Southern Hemisphere.

Indications of unfavorable conditions for the world's winter wheat growing regions.

Increased participation in the farmer-owned reserve program—particularly if pending new supplemental loan benefits become effective.

Continued strong export sales with foreign buyers spacing out their purchases more evenly through the remainder of the marketing year.

Strong feed grain and oilseed markets.

Loan activity in 1980 has been higher than a year ago largely because harvesttime farm prices in the Southern Plains slipped as low as $3.30 per bushel, only 30 cents above the loan rate. However, recent price strength has increased redemptions and slowed loan activity. Northern Plains farmers, whose spring wheat crop suffered significant sprout damage (sample grade), are eligible to receive the standard nonrecourse loan discounted for degree of damage. As of October 22, 96 million bushels were under loan, 214 million in the reserve, and 195 million owned by CCC.

Wheat: Average prices received by farmers in selected States

States	August		September		October	
	1979	1980	1979	1980	1979	1980[1]
	Dollars per bushel					
Illinois	3.88	4.03	3.89	4.17	3.94	4.41
Kansas	3.67	3.78	3.84	3.93	3.91	4.08
North Dakota	3.66	4.68	3.91	4.45	4.23	4.66
Oklahoma . . .	3.95	3.85	4.07	4.03	4.13	4.32
Washington . .	4.21	3.77	4.17	3.85	4.01	4.04
United Stated	3.74	3.94	3.87	3.99	3.98	4.19

[1] Preliminary mid-month.

OUTLOOK FOR 1981 PLANTINGS

No Set-Aside for 1981 Crop

A year ago, the decision not to have an acreage set-aside program for the 1980 wheat crop was based on the strong demand outlook, reduced world production, and an expected drawdown of stocks. Even with this year's bumper U.S. wheat production and a slightly improved world crop, the outlook is for continued record overseas demand and a projected decline in world wheat stocks. Thus, the 1981 program is basically unchanged from 1980: no acreage set-aside requirement. If conditions change by next spring and it becomes evident that wheat supplies will be excessive in 1981, a paid diversion program could be offered.

Currently the basic program features include:

Wheat producers who plant within their normal crop acreage (NCA), will be eligible for farm program benefits, i.e., loans, target price and disaster protection, and entry into the farmer-owned reserve program.

A preliminary national wheat program acreage (NPA) of 71 million acres. The NPA may be adjusted later in the year depending upon subsequent developments.

Eligibility for full target price payments to those producers who plant no more wheat than was planted for harvest in 1980. Farmers who exceed this acreage would be subject to an allocation factor of between 80 and 100 percent of the acreage planted to wheat.

A loan rate of at least $3 per bushel which reflects a minimum $4.20 release and $5.25 call price for wheat in the reserve program.

A target price, based on preliminary data, of at least $3.81 per bushel, compared with this year's $3.63.

Acreage Expansion Possible

Wheat acreage in 1980 reached one of the highest levels ever—80.9 million acres. USDA's *Small Grains report*, to be released on December 23, will provide the first definitive seeded acreage report for the 1981 crop.

Farm prices during the August-September planting period were only slightly above year-ago levels. However, current new crop futures (July 81) look much stronger relative to the same period a year ago.

Wheat producers have seen prices hold up well despite the record 1980 crop. With current prospects indicating higher price levels next season, there appears to be little reason for growers to cut acreage. Therefore, 1981 acreage could be as large as last year with strong possibilities that plantings could exceed the previous record of 83.9 million set in 1949. Expansion could come from increases in eastern soft wheat double cropping areas with some

expansion also likely in the Plains States. Continued favorable prices and reduced carryover levels could also pressure expansion in spring wheat acreage.

Winter Crop Planted; Conditions Improve Slightly

Winter wheat seeding generally has been completed. Seedbed conditions in the Southern Plains were significantly short of moisture as the normal planting time arrived. In anticipation of relief, "dusting in," (seeding with insufficient soil moisture for germination) was common. October rains helped germination but concern remains about shortages of subsoil moisture and good growth before winter dormancy. Moisture conditions in the eastern and western soft wheat areas are generally adequate.

Wheat: Acreage and production

Class	Planted		Harvested		Production	
	1979	1980[1]	1979	1980[1]	1979	1980[1]
	Million acres				*Million bushels*	
Winter . .	51.9	57.9	43.6	52.0	1,609	1,879
Durum . .	4.0	5.5	3.9	4.8	107	107
Other spring. . .	15.6	17.5	15.1	14.8	426	376
Total[2] .	71.6	80.9	62.6	71.6	2,142	2,362

[1] Preliminary. [2] Totals may not add due to rounding.

WORLD WHEAT OUTLOOK

Chances for Record World Wheat Crop Disappear

Early expectations suggested a record 1980/81 world wheat harvest. But this outlook was adjusted downward as dry weather diminished prospects for major Southern Hemisphere harvests. Global wheat production, based on conditions around October 1, is now forecast at about 440 million metric tons, 20 million above the low outturn in 1979 but nearly 8 million below 1978/79's record. The most significant reductions come from shortfalls in the already completed harvests of India and China, and the unfavorable prospect facing Australia's harvest as it gets underway. This year's gains in Northern Hemisphere production are mostly due to the Soviet Union, whose crop is estimated to be up from last year, but still far short of 1978's record 121 million tons. Western Europe's outturn is up 11 percent and the largest ever. Output in Eastern Europe rebounded sharply, up 26 percent from last year's poor crop. The remarkable turnaround of Canada's crop prospect from an early season drought will likely result in an 8 percent production increase, although excessive wet, cool harvest conditions reduced wheat quality.

World wheat utilization is forecast to continue its upward trend in 1980/81. A rise of 1 percent is expected to a record 447 million tons. Use of wheat for feed is likely to be up from 1979/80 due to the relatively greater availability of wheat over coarse grains and because reduced crop quality in the Soviet Union and Eastern Europe will result in more feed-quality wheat.

This season's indicated reduction in global wheat supplies (lower carryin stocks offsetting larger production), coupled with stronger demand, imply a further world wheat stock drawdown by the end of 1980/81. Yearend stocks are forecast to be about 7 million tons below 1979/80 and would represent 16 percent of the world's yearly utilization, the lowest since before 1960.

World Trade Likely A Record

World wheat trade during 1980/81 (July/June) is estimated at about 90 million tons, topping last year's record by 5 percent or more. The United States will likely provide about 46 percent of this amount, up from 44 percent in 1979/80. Other major exporters (Canada, Australia, and Argentina) are expected to capture about 33 percent of the world market, compared with 41 percent last season.

Exports by the European Community countries are likely to increase sharply and comprise around 13 percent of the total international wheat trade. The European Community (EC) has harvested a record crop, and unless utilization or stocks increase sharply, much of the production increase will have to move into the world market under the EC's export subsidy program. Because of reduced crop prospects, Australia's exportable wheat supplies will be the smallest since 1977/78, and its 1980/81 exports may be down more than a fourth from a year ago. Reflecting concern about current crop conditions, Argentina has temporarily suspended new crop foreign sales which are expected to about match last year. Because of the improved outlook for Canada's crop, exports may be down only slightly from 1979/80.

On the import side, the USSR's 1980/81 wheat purchases from all suppliers are expected to be up about 2 million tons to 14 million, reflecting a lower than expected grain harvest and reduced availability of coarse grains in world markets. This year's

Chinese import requirements are up 4 million tons, partially in response to a drop in output. Expanding consumption requirements in various areas, including North Africa, Brazil, and several other Latin American nations, should result in accelerated wheat imports.

WHEAT OUTLOOK BY CLASS

Record 1980 HRW Crop and Supply

The second successive record Hard Red Winter (HRW) crop is in the bin. The crop of 1.2 billion bushels is over 7 percent larger than last year's record and reflects alltime high harvests in Colorado and Nebraska. Kansas produced its second bumper crop of over 400 million bushels. Although dry soil conditions slowed good stand development and reduced yields slightly in the Southern Plains, banner yields and increased acreage in western sectors of the HRW belt were offsetting.

The quality of 1980 HRW is considered excellent with protein averaging about one-half percent higher than last year and above the 10-year average. Wheat in western areas yielded over 14-percent protein. For Kansas, this was the fourth consecutive year that protein content equaled or exceeded 12 percent.

The increase in June 1 carryin stocks, coupled with the record crop, leaves little doubt that the 1980/81 supply will be one of the largest since the early 1960's. Domestic use is likely to expand because of excellent quality and prospects of favorable prices compared with spring wheats. Depending on the final impact of a reduced feed grain crop in the Southern Plains, the quantity of wheat fed to livestock may show some gain over last season's minimal level.

The forecast for another good HRW export season seems somewhat uncertain at this time. Commitments (shipments plus outstanding sales) as of mid-October were more than 160 million bushels behind last year's pace when Soviet Union purchases were exceptionally strong. However, there is potential for expanded sales to Mexico, Brazil, and other traditional Latin American customers, Eastern Europe, and the Middle East. While most of the sales to the USSR under the fifth year of the US/USSR grain supply agreement have been consummated, more Chinese HRW sales could surface.

The price impact of this year's record HRW supply was evident during June-August when farm prices probably slipped to their season's low. September saw Kansas City prices edge upward in response to deterioration of the feed grain and oilseed crops, reluctant producer selling, a pickup in export sales, and reported reductions in the 1980 Southern Hemisphere wheat crops. Farm prices were around $3.50 per bushel during harvest but advanced to over $4 by October.

With farm prices advancing to their highest level so far this season, planting of the 1981 winter wheat crop appears to be at least as large as last year when no set-aside requirements were in effect. However, additional moisture is needed for good germination and root development.

Weather—Double Whammy to HRS Crop

Expectations that a 13-percent increase in Hard Red Spring (HRS) wheat acreage would produce a 1980 crop of over 400 million bushels were shattered as severe drought hit the Northern Plains. The other extreme struck at harvest time, when excessive wet conditions delayed combining and caused significant sprouting. From 25 to 35 percent of the Northern Plains crop suffered varying degrees of sprout damage. The harvest barely topped 300 million bushels, 14 percent below a year ago and the smallest since 1974.

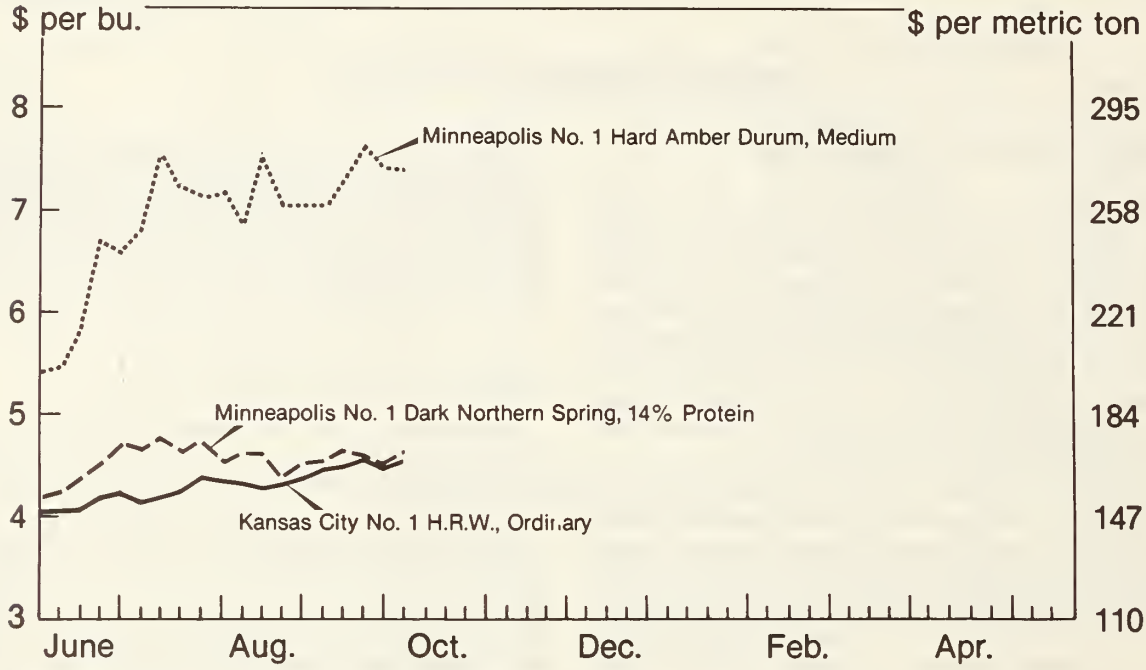
Earlier dry conditions may have raised the protein level on some of the crop but wet weather during the final maturing period probably lowered the average protein content for the 1980 crop.

The smaller crop and reduced carryover stocks will depress 1980/81 HRS supplies to their lowest level in 4 years, 85 million bushels below a year ago (table 2). About a quarter of this supply is currently isolated from the market in the reserve program or owned by CCC.

This tightening supply situation is likely to lower both domestic and overseas demand from last season because of increasing prices. Feeding of HRS, normally insignificant, could be up because this is a way to utilize the severely damaged portion of the crop. Foreign demand from regular HRS buyers has been sluggish relative to last year, indicating that exports may not exceed the over 200 million bushels shipped in each of the last 2 years. Mid-October commitments were nearly 10 percent behind a year ago.

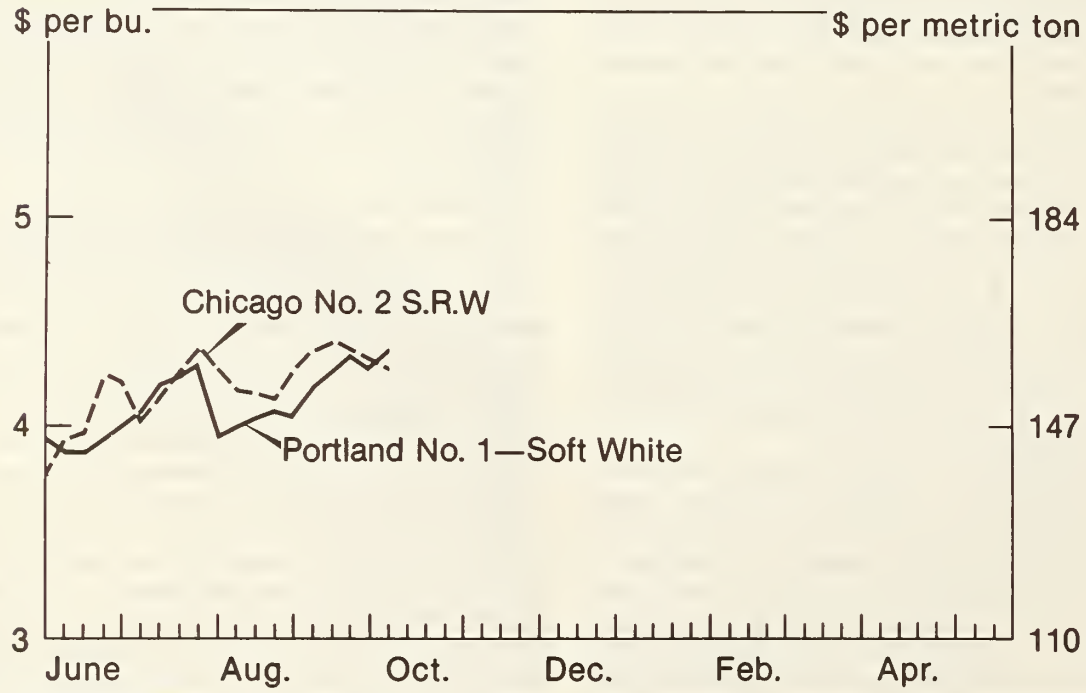
Minneapolis market prices moved upward as crop prospects deteriorated in July and August and were about on par with last season. But once quality and quantity of the crop were established, October prices surged to over $5 per bushel in response to a tightening outlook for high quality HRS supplies. The good quality of the Hard Red Winter crop will tend to reduce HRS in flour blends. Also, HRS's position as the more expensive wheat at dockside may

Cash Wheat Prices, 1980/81*



*Thursday price.

Cash Wheat Prices, 1980/81*



*Thursday price.

strengthen HRW overseas sales at the expense of HRS.

Durum Sprout Damage Cuts Available Supply, Lifts Prices

The 1980 Durum crop of 107 million bushels is virtually the same as last year. However, it is considered a disappointing crop because a record 5.5 million acres were seeded last spring and a record 4.8 million acres were harvested this summer. Severe and widespread drought during plant development reduced the average yield to one of the lowest in 15 years; 5 bushels off 1979's level. In some areas, abandonment of poor fields was a producer's only economic recourse. As a result, over 600,000 acres—about 12 percent of total seeded acres—never saw a combine. Abandonment for a typical spring wheat crop seldom exceeds 3 percent.

Difficulties for the 1980 crop continued into the harvest as cool, wet weather hampered operations. The result was sprouting of standing grain and grain in the swath. As much as 60 percent of the 1980 harvest was affected in varying degrees.

Along with the smaller crop, carryin stocks were down, thus the 1980/81 Durum supply will be cut 15 percent from a year ago. Even more significant for this year's supply prospects is the extensive sprout damage. High quality Durum will be in short supply. As a result, food use (pasta) of Durum may be hard pressed to maintain its growth trend. Farina from HRS will tend to be substituted as much as technically possible. Feed use may provide an outlet for the more heavily damaged Durum but the high price (despite large discounts) will limit heavy feeding. High prices and low quality also are likely to cause a slowdown in exports from last year's record season. Overall, 1980/81 Durum disappearance may be down slightly but with a smaller supply, end of-season stocks will be the lowest since 1974/75.

Prices for Hard Amber Durum, No. 1, at Minneapolis are at their highest level since 1974, nearing $8 a bushel. This reflects the indicated shortage of good quality wheat. Even with discounts of over $1 per bushel for poorer grades, farm prices are well above year-ago levels.

SRW Supply Up, Exports Boom

While a good portion of the Midwest's corn and soybean crop suffered from hot and dry midsummer weather, the 1980 Soft Red Winter (SRW) wheat crop (principally grown in the same area) experienced ideal late spring growing conditions and came through at a record 433 million bushels—nearly a fourth larger than the previous high in 1977/78. Quality is mostly excellent with heavy test weights and protein lower than average.

Disappearance of SRW is projected to expand in 1980/81 as the record supply—nearly 500 million bushels—will provide domestic and overseas users all their needs at competitive prices. Food use should accelerate and some increase in feeding may take place, particularly in areas where this year's feed grain harvest was significantly reduced. Also, some sprout damage has been reported.

However, the big swinger is still exports, which are fairly certain to exceed any past season. SRW exports have never topped 200 million bushels, but 1980/81 should see 275 million bushels or more leave U.S. ports. Foreign buyers have responded well to relatively favorable prices, and total commitments have already tripled those of a year ago. Wheat purchases by China have been extra strong this year and SRW has been the prevalent class, with nearly 100 million bushels shipped by mid-October and another 50 million on the books.

Despite pressures of the enormous 1980/81 supply, SRW market prices held well during harvest and by late October were 50 to 60 cents per bushel above a year ago. This is mostly due to strong export sales and orderly marketing by producers. Farm prices of over $4 per bushel have encouraged growers to fall plant at least as much SRW as last year and probably increase double cropped acreage.

Bumper 1980 White Wheat Crop; Exports Pick Up

A 6-percent increase in harvested acreage and a 10-bushel-per-acre yield increase in the Pacific Northwest (PNW) set the stage for a record 1980 U.S. White wheat crop. Nearly all factors that affect production went well this year—even the Mt. St. Helens eruption had minimal impact on the crop. As a result, the crop was so large that as much as 35 million bushels has to be stored temporarily on the ground. In the East, a White wheat crop of about 35 million bushels suffered sprout damage from an excessively wet harvest. The combination of larger carryin stocks and the record production establishes 1980/81 White wheat supplies at a hefty 405 million bushels, the largest on record and a fourth larger than last season.

This year's crop has good milling and baking properties. Western White has the lowest protein in years, averaging below 9.5 percent, which should enhance flour performance in pastry products. Sprout damage may cause some quality supply problems in the East by season's end.

White wheat's favorable price relative to SRW could foster record exports in 1980/81 (table 2). Mid-October commitments were already 45 percent ahead of a year ago. Exports could receive some spinoff from the deterioration in Australia's 1980 wheat crop. Australia has been a sizable supplier to Asian

markets that prefer White wheats. However, despite increased foreign and domestic demand prospects, the record large supply will mean a sizable stock buildup at yearend.

Because of the imbalance of White wheat supply over demand, price advances have been limited relative to other classes. The market will be responsive to export bookings and producer selling objectives for much of the season.

Reduced 1980/81 Rye Supply; Price Advances Outpace Wheat

A decline in yields and fewer acres harvested for grain produced a 1980 rye crop of 16.2 million bushels, down a third from 1979. Production was down in every major State. Drought in the Northern Plains caused substantial yield declines in North Dakota—19 bushels per acre, compared with 28 a year ago—and a 4-bushel decline in South Dakota.

The rye supply in 1980/81 will continue around 30 million bushels, the result of sizable carryover stocks from last year. Yearly disappearance should be on the rise reflecting a projected increase in overseas sales. Mid-October commitments lead last year's pace by 80 percent. Based on dwindling supply prospects, Minneapolis prices have advanced faster than wheat and are now more than 50 cents higher than beginning season prices—around $3.05 a bushel compared with $2.47.

Rye: Supply and disappearance

Item	June-September	
	1979	1980
	Million bushels	
June 1 stocks	9.7	13.2
Production	24.5	16.2
Total supply[1]	34.2	29.4
Exports	0.6	3.2
Food	1.2	1.1
Seed	2.2	2.2
Industrial	0.6	0.5
Feed	3.0	3.6
Total disappearance	7.6	10.6
October 1 stocks	26.6	18.8

[1] Includes imports. [2] Less than 50,000 bushels.

Table 2--Wheat classes: Marketing year supply and disappearance, 1/

Year beginning June 1	Supply			Disappearance			Ending stocks May 31
	Beginning stocks	Production	Total 2/	Domestic use	Exports	Total	
	--Million bushels--						
1977/78:							
Hard winter	605	992	1,597	431	535	966	631
Soft red	72	350	422	154	197	351	71
Hard spring	250	398	649	158	156	314	335
Durum	92	80	173	44	62	106	67
White	93	216	309	62	174	236	73
All classes	1,112	2,036	3,150	849	1,124	1,973	1,177
1978/79:							
Hard winter	631	836	1,467	437	610	1,047	420
Soft red	71	202	273	151	95	246	27
Hard spring	335	379	714	158	232	390	324
Durum	67	134	202	44	72	116	86
White	73	247	320	67	185	252	68
All classes	1,177	1,798	2,976	857	1,194	2,051	925
1979/80:							
Hard winter	420	1,093	1,513	347	725	1,072	441
Soft red	27	321	348	154	154	308	40
Hard spring	324	365	690	184	217	401	289
Durum	86	107	194	54	83	137	57
White	68	256	324	52	196	248	76
All classes	925	2,142	3,069	791	1,375	2,166	903
1980/81: 3/							
Hard winter	441	1,178	1,619	388	760	1,148	471
Soft red	40	433	473	164	275	439	34
Hard spring	289	315	605	166	185	351	254
Durum	57	107	165	49	75	124	41
White	76	329	405	68	230	298	107
All classes	903	2,362	3,267	835	1,525	2,360	907

1/ Data, except production, are approximations. Imports and exports include flour and products in wheat equivalent.
2/ Total supply includes imports.
3/ Projected.

TABLE 3.--WHEAT: MARKETING YEAR SUPPLY AND DISAPPEARANCE, SPECIFIED PERIODS, 1976-80

YEAR AND PERIODS BEGINNING JUNE 1	SUPPLY				DISAPPEARANCE							ENDING STOCKS		
					DOMESTIC USE									
	BEGIN-NING STOCKS	PRODUC-TION	IM-PORTS 1/	TOTAL	FOOD	ALC. BEVER-AGES	SEED	FEED 2/	TOTAL	EX-PORTS 1/	TOTAL DISAP-PEARANCE	GOVT. OWNED	PRI-VATELY OWNED 3/	TOTAL
	MILLION BUSHELS													
1976/77														
JUNE-SEPT.	665.3	2,142.4	0.9	2,808.5	200.4	4/	32.0	-11.0	221.5	398.8	620.3	---	2,188.2	2,188.2
OCT.-DEC.	2,188.2	---	0.4	2,188.6	152.5	4/	34.0	4/	186.6	220.3	406.8	---	1,781.8	1,781.8
JAN.-MAR.	1,781.8	---	0.4	1,782.1	147.3	4/	1.0	65.5	213.8	178.8	392.6	---	1,389.5	1,389.5
APR.-MAY	1,389.5	---	1.1	1,390.6	87.9	4/	25.0	13.9	126.7	151.6	278.4	---	1,112.2	1,112.2
MKT. YEAR	665.3	2,142.4	2.7	2,810.3	588.0	0.1	92.0	68.4	748.6	949.5	1,698.1	---	1,112.2	1,112.2
1977/78														
JUNE-SEPT.	1,112.2	2,036.3	0.8	3,149.4	193.3	4/	32.0	142.0	367.3	381.7	749.0	8.2	2,392.2	2,400.4
OCT.-DEC.	2,400.4	---	0.4	2,400.7	153.5	4/	23.0	5.1	181.6	225.4	407.0	31.8	1,962.0	1,993.8
JAN.-MAR.	1,993.8	---	0.4	1,994.2	145.5	4/	1.0	41.4	187.9	278.6	466.5	44.8	1,482.9	1,527.7
APR.-MAY	1,527.7	---	0.3	1,528.0	94.2	4/	24.0	-5.2	113.1	238.2	351.3	45.7	1,131.0	1,176.7
MKT. YEAR	1,112.2	2,036.3	1.9	3,150.5	586.5	0.1	80.0	183.3	849.9	1,123.9	1,973.8	45.7	1,131.0	1,176.7
1978/79														
JUNE-SEPT.	1,176.7	1,797.5	0.6	2,974.8	191.7	4/	27.0	124.9	343.6	493.3	836.9	48.9	2,089.0	2,137.9
OCT.-DEC.	2,137.9	---	0.5	2,138.4	153.8	4/	34.0	9.0	196.7	308.8	505.6	49.5	1,583.3	1,632.8
JAN.-MAR.	1,632.8	---	0.5	1,633.3	147.4	4/	1.0	34.6	183.0	224.5	407.5	49.5	1,176.3	1,225.8
APR.-MAY	1,225.8	---	0.3	1,226.1	98.9	0.1	25.0	9.9	133.9	167.5	301.4	50.2	874.5	924.7
MKT. YEAR	1,176.7	1,797.5	1.9	2,976.1	591.8	0.1	87.0	178.4	857.3	1,194.1	2,051.4	50.2	874.5	924.7
1979/80														
JUNE-SEPT.	924.7	2,141.7	0.7	3,067.2	198.0	4/	33.0	53.1	284.1	511.0	795.1	49.9	2,222.2	2,272.1
OCT.-DEC.	2,272.1	---	0.5	2,272.6	157.6	4/	37.0	-25.9	168.7	387.9	556.6	49.6	1,666.4	1,716.0
JAN.-MAR.	1,716.0	---	0.5	1,716.5	145.1	4/	1.0	62.3	208.4	282.7	491.1	63.3	1.162.1	1.225.4
APR.-MAY	1,225.4	---	0.4	1,225.8	94.6	0.1	30.0	4.6	129.3	193.6	322.9	141.7	761.2	902.9
MKT. YEAR	924.7	2,141.7	2.1	3,068.6	595.3	0.1	101.0	94.1	790.5	1,375.2	2,165.7	141.7	761.2	902.9
1980/81 5/														
JUNE-SEPT.	902.9	2,361.6	0.7	3,265.2	198.0	4/	33.0	49.6	280.6	518.4	799.0	202.1	2,264.1	2,466.2
OCT.-DEC.														
JAN.-MAR.														
APR.-MAY														
MKT. YEAR														

Table 4.--Wheat price support loan status on specified dates--1976-80 crops

Crop of	Total loans	Put in reserve	Repaid		Delivered to CCC	Outstanding	
			Loans	Reserve		Loans	Reserve
	Million bushels						
	As of June 1, 1980						
1976	498.8	216.1	234.7	111.7	48.0	---	104.4
1977	590.8	194.9	393.7	98.5	2.2	---	96.4
1978	255.1	13.0	220.0	0.3	---	22.1	12.7
1979	179.4	23.5	78.8	---	---	77.1	23.5
Total	***	***	***	***	1/141.7	99.2	237.0
	As of October 1, 1980						
1976	498.8	216.1	234.7	130.1	48.0	---	86.0
1977	590.8	194.9	393.7	117.3	2.2	---	77.6
1978	255.1	20.8	228.9	1.8	---	5.4	19.0
1979	180.5	30.6	118.1	1.9	---	31.8	28.7
1980	99.2	10.2	4.3	0.1		84.7	10.1
Total	***	***	***	***	1/ 202.1	121.9	221.4
	As of January 1, 1980						
1976	498.8	216.1	234.7	99.2	48.0	---	116.9
1977	590.8	194.9	393.7	86.1	2.2	---	108.8
1978	255.1	3.4	210.4	---	---	41.3	3.4
1979	115.5	0.6	13.4	---	---	101.5	0.6
Total	***	***	***	***	49.6	142.8	229.7
	As of April 1, 1980						
1976	498.8	216.1	234.7	111.2	48.0	---	104.9
1977	590.8	194.9	393.7	96.5	2.2	---	98.4
1978	255.1	11.2	218.4	0.2	---	25.5	11.0
1979	161.0	12.5	43.5	---	---	105.0	12.5
Total	***	***	***	***	1/ 63.3	130.5	226.8

1/ Includes outstanding CCC-owned stocks from loan forfeitures and open market purchases in March, 1980.

Source: Agricultural Stabilization and Conservation Service monthly loan activity reports.

Table 5.--Wheat: Farm price for leading classes and major feed grain in region, 1977-80 1/

Commodity and year	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	Simple average	Loan rate
	All prices for 60 pounds													
	Central and So. Plains (Hard Winter) 2/													
Wheat:														
1977/78	1.94	1.98	1.94	2.06	2.19	2.37	2.38	2.37	2.44	2.55	2.69	2.69	2.30	2.19
1978/79	2.72	2.71	2.74	2.82	2.96	2.98	2.97	2.93	2.96	2.97	3.00	3.12	2.91	2.28
1979/80	3.63	3.81	3.72	3.82	3.86	3.93	3.89	3.81	3.73	3.51	3.36	3.48	3.71	2.43
1980/81	3.49	3.63	3.75	3.86										2.94
Sorghum:														
1977/78	1.82	1.75	1.59	1.60	1.74	1.87	1.86	1.87	1.91	2.02	2.16	2.21	1.87	1.79
1978/79	2.15	2.05	1.97	1.96	2.06	2.11	2.12	2.11	2.11	2.12	2.15	2.17	2.09	2.00
1979/80	2.55	2.68	2.51	2.48	2.45	2.45	2.41	2.44	2.44	2.47	2.40	2.45	2.48	2.12
1980/81	2.58	2.94	3.06	3.18										2.27
	Cornbelt (Soft Red Winter) 3/													
Wheat:														
1977/78	1.99	1.97	1.88	1.88	2.01	2.35	2.45	2.45	2.48	2.64	2.88	2.89	2.32	2.26
1978/79	2.88	2.90	3.02	3.08	3.23	3.34	3.37	3.37	3.50	3.38	3.44	3.58	3.26	2.34
1979/80	3.85	4.01	3.86	3.93	4.00	3.87	3.99	4.03	4.11	3.82	3.59	3.62	3.89	2.48
1980/81	3.58	3.82	4.02	4.19										3.00
Corn:														
1977/78	2.30	2.01	1.74	1.70	1.80	2.07	2.16	2.17	2.21	2.33	2.47	2.50	2.12	1.93
1978/79	2.52	2.39	2.18	2.13	2.12	2.19	2.27	2.31	2.39	2.44	2.51	2.61	2.34	2.18
1979/80	2.78	3.02	2.88	2.81	2.59	2.48	2.71	2.66	2.65	2.63	2.60	2.68	2.71	2.31
1980/81	2.76	3.06	3.23	3.36										2.46
	Northern Plains (Spring and Durum) 4/													
Wheat:														
1977/78	2.25	2.16	2.16	2.28	2.45	2.59	2.56	2.60	2.62	2.66	2.81	2.84	2.50	2.26
1978/79	2.79	2.69	2.71	2.78	2.87	2.93	2.86	2.75	2.83	2.84	2.89	3.14	2.84	2.36
1979/80	3.49	3.69	3.62	3.67	3.83	3.76	3.61	3.54	3.60	3.57	3.66	3.80	3.65	2.51
1980/81	3.89	4.07	3.76	4.02										3.02
Barley:														
1977/78	2.10	1.71	1.70	1.71	1.91	2.11	2.14	2.15	2.19	2.21	2.34	2.39	2.05	1.74
1978/79	2.25	2.00	2.02	2.14	2.22	2.36	2.33	2.27	2.26	2.34	2.46	2.55	2.27	1.92
1979/80	2.65	2.72	2.50	2.65	2.72	2.79	2.69	2.68	2.52	2.60	2.51	2.60	2.64	2.02
1980/81	2.82	2.69	3.14	3.32										2.16
	Pacific Northwest (White) 5/													
Wheat:														
1977/78	2.47	2.52	2.55	2.45	2.40	2.58	2.62	2.69	2.92	3.07	3.17	3.22	2.72	2.31
1978/79	3.23	3.29	3.35	3.36	3.30	3.30	3.34	3.30	3.21	3.22	3.30	3.42	3.30	2.41
1979/80	3.98	3.93	4.12	4.03	3.91	3.89	3.74	3.68	3.80	3.71	3.66	3.56	3.83	2.57
1980/81	3.53	3.71	3.67	3.80										3.08
Barley:														
1977/78	2.47	2.44	2.25	2.32	2.10	2.31	2.30	2.36	2.47	2.56	2.64	2.71	2.41	1.99
1978/79	2.69	2.59	2.54	2.35	2.25	2.32	2.31	2.39	2.36	2.44	2.49	2.58	2.44	2.15
1979/80	2.69	3.08	3.00	3.09	3.07	3.34	3.10	3.10	3.10	3.18	3.21	3.12	3.09	2.26
1980/81	3.16	3.34	3.32	3.35										2.40
	U.S. AVERAGE													
Wheat:														
1977/78	2.03	2.04	2.13	2.16	2.30	2.46	2.47	2.53	2.59	2.67	2.82	2.82	6/2.33	2.25
1978/79	2.81	2.81	2.88	2.92	2.99	3.04	3.01	2.99	2.99	2.97	3.01	3.20	6/2.98	2.35
1979/80	3.72	3.89	3.74	3.87	3.98	3.94	3.80	3.74	3.78	3.64	3.58	3.69	6/3.82	2.50
1980/81	3.69	3.81	3.94	3.99										

1/ To adjust prices to relative feed value multiply: corn 1.00; wheat 1.05; barley .90; sorghum .95; reported in Consumption of Feed by Livestock, Production Research Report No. 79, ERS, USDA. 2/ Kansas, Nebraska, Texas, Oklahoma, and Colorado. 3/ Ohio, Indiana, Illinois, and Missouri. 4/ North Dakota, South Dakota, and Minnesota. 5/ Washington, Oregon, and Idaho. 6/ Season average price including allowance for unredeemed loans and purchases by CCC.

Table 6.--Wheat: Major cash market prices for leading classes, 1977-80

Year	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	Simple average
	Dollars per bushel												
	Kansas City, No. 1 Hard Red Winter (ordinary protein)												
1977/78	2.31	2.35	2.31	2.47	2.56	2.81	2.80	2.82	2.84	3.07	3.21	3.12	2.72
1978/79	3.12	3.14	3.14	3.24	3.42	3.48	3.39	3.42	3.50	3.52	3.53	3.64	3.38
1979/80	4.17	4.34	4.12	4.26	4.39	4.53	4.51	4.33	4.32	4.07	3.90	4.10	4.25
1980/81	4.07	4.21	4.31	4.45									
	13% protein												
1977/78	2.51	2.43	2.38	2.53	2.61	2.86	2.87	2.92	2.92	3.09	3.36	3.25	2.81
1978/79	3.20	3.17	3.15	3.26	3.42	3.48	3.40	3.43	3.52	3.55	3.58	3.71	3.41
1979/80	4.22	4.42	4.28	4.39	4.55	4.67	4.60	4.40	4.35	4.14	3.96	4.14	4.34
1980/81	4.12	4.25	4.34	4.49									
	Chicago, No. 2 Soft Red Winter												
1977/78	2.29	2.20	2.08	2.20	2.27	2.59	2.65	2.69	2.64	2.82	3.11	3.14	2.56
1978/79	3.18	3.22	3.32	3.42	3.51	3.68	3.68	3.73	3.88	3.79	3.60	3.86	3.57
1979/80	4.36	4.39	4.23	4.28	4.30	4.13	4.26	4.36	4.39	4.18	3.96	4.04	4.24
1980/81	3.96	4.17	4.21	4.38									
	St. Louis, No. 2 Soft Red Winter												
1977/78	2.15	2.14	1.97	2.01	2.28	2.70	2.74	2.75	2.71	2.90	3.09	2.99	2.54
1978/79	3.05	3.16	3.21	3.23	3.41	3.57	3.50	3.57	3.66	3.51	3.62	3.68	3.43
1979/80	4.08	4.18	4.04	4.08	4.02	4.10	4.28	4.26	4.32	4.11	3.80	3.93	4.10
1980/81	3.73	4.10	4.19	4.42									
	Toledo, No. 2 Soft Red Winter												
1977/78	2.21	2.13	2.03	2.08	2.21	2.53	2.57	2.62	2.55	2.77	3.07	3.03	2.48
1978/79	3.09	3.13	3.21	3.32	3.46	3.73	3.72	3.73	3.69	3.66	3.56	3.71	3.50
1979/80	4.17	4.37	4.22	4.28	4.29	4.21	4.28	4.21	4.32	4.08	3.80	3.90	4.18
1980/81	3.84	4.14	4.16	4.38									
	Toledo, No. 2 Soft White												
1977/78	2.21	2.16	2.04	2.06	2.18	2.52	2.56	2.62	2.56	2.77	3.07	3.03	2.48
1978/79	3.10	3.26	3.45	3.63	3.69	3.87	3.78	3.72	3.63	3.44	3.35	3.53	3.54
1979/80	4.08	4.31	4.15	4.17	4.12	4.20	4.18	4.10	4.14	3.90	3.63	3.74	4.06
1980/81	3.71	4.05	4.15	4.31									
	Portland, No. 1 Soft White												
1977/78	2.79	2.88	2.88	2.80	2.75	2.91	2.97	3.17	3.33	3.41	3.62	3.60	3.09
1978/79	3.60	3.74	3.72	3.77	3.76	3.76	3.71	3.70	3.65	3.70	3.70	3.91	3.73
1979/80	4.46	4.67	4.45	4.31	4.13	4.16	4.10	4.10	4.26	4.13	4.02	3.91	4.22
1980/81	3.92	4.15	4.06	4.23									
	Minneapolis, No. 1 Dark No. Spring (ordinary protein)												
1977/78	2.43	2.29	2.22	2.51	2.61	2.71	2.68	2.73	2.72	2.86	3.08	3.10	2.66
1978/79	3.06	2.95	2.96	3.07	3.21	3.32	3.15	3.12	3.12	3.18	3.29	3.62	3.17
1979/80	4.23	4.31	4.10	4.18	4.31	4.27	4.18	4.06	4.13	4.04	3.94	4.21	4.16
1980/81	4.19	4.54	4.22	4.17									
	14% protein												
1977/78	2.65	2.54	2.48	2.75	2.87	2.96	2.92	2.94	2.90	3.03	3.23	3.27	2.88
1978/79	3.21	3.11	3.13	3.26	3.41	3.47	3.32	3.30	3.36	3.42	3.45	3.73	3.35
1979/80	4.32	4.42	4.19	4.29	4.45	4.29	4.17	4.07	4.08	4.02	3.96	4.31	4.21
1980/81	4.33	4.69	4.55	4.56									
	Hard Amber Durum, No. 1 (medium)												
1977/78	2.84	2.84	2.80	3.12	3.42	3.54	3.51	3.62	3.61	3.60	3.72	3.79	3.37
1978/79	3.72	3.56	3.55	3.52	3.69	3.70	3.53	3.60	3.64	3.72	3.71	3.98	3.66
1979/80	4.75	4.99	4.88	5.27	5.80	5.38	4.99	4.93	5.05	4.98	4.89	5.21	5.09
1980/81	5.79	7.12	7.19	7.26									

Source: Grain Market News, Agriculture Marketing Service.

Table 7.--Wheat, flour and wheat products, United States exports by months, 1975-80*

Year	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	Total
	1,000 bushels												
	Wheat (Grain only)												
1975/76	77,583	99,988	111,446	125,943	123,762	118,614	92,462	92,069	72,517	77,353	77,111	67,787	1,136,635
1976/77	66,814	85,619	113,202	110,376	100,532	54,296	57,024	49,447	57,773	52,650	70,233	66,501	884,467
1977/78	77,073	83,657	93,432	110,634	69,107	57,565	87,368	64,819	94,669	105,468	103,286	120,060	1,067,138
1978/79	108,931	106,108	131,921	119,611	115,518	92,392	90,027	70,400	67,106	75,548	76,961	78,306	1,132,829
1979/80	104,607	133,283	117,787	129,617	149,040	108,882	114,879	82,683	89,526	94,735	98,327	88,579	1,311,945
1980/81	96,193	123,598	141,415	137,325									
	Flour (Grain equivalent) 1/												
1975/76	2,664	2,627	2,740	2,045	2,113	2,019	1,380	1,149	1,206	1,525	3,212	4,306	26,986
1976/77	5,605	3,052	5,060	6,028	2,861	1,357	988	3,204	5,871	6,522	8,433	4,893	53,874
1977/78	3,803	3,586	3,411	2,893	2,011	2,204	3,446	1,987	3,820	4,464	6,412	5,844	43,881
1978/79	6,426	4,370	5,124	5,109	4,235	1,399	1,617	1,380	3,050	3,355	2,231	6,589	44,885
1979/80	4,280	4,172	6,370	5,336	3,157	2,587	5,351	2,505	3,649	6,970	2,389	2,529	49,295
1980/81	4,230	2,082	5,057	3,774									
	Wheat products (Grain equivalent) 2/												
1975/76	1,540	1,275	212	340	955	856	1,395	1,223	89	140	481	754	9,260
1976/77	450	869	1,293	444	1,072	329	1,798	1,426	1,398	540	728	844	11,191
1977/78	788	926	269	1,211	925	952	1,821	1,097	1,164	1,059	942	1,694	12,848
1978/79	1,232	816	1,842	1,829	605	1,480	1,575	1,414	1,457	774	2,305	1,086	16,415
1979/80	772	1,797	1,492	1,483	1,190	1,484	1,334	1,168	378	1,083	836	918	13,935
1980/81	912	1,222	711	1,849									
	Total wheat, flour and products												
1975/76	81,787	103,890	114,398	128,328	126,830	121,489	95,237	94,441	73,812	79,018	80,804	72,847	1,172,881
1976/77	72,869	89,540	119,555	116,848	104,465	55,982	59,810	54,077	65,042	59,712	79,394	72,238	949,532
1977/78	81,663	88,169	97,113	114,738	72,043	60,722	92,635	67,903	99,653	110,991	110,639	127,598	1,123,867
1978/79	116,588	111,294	138,888	126,550	120,358	95,271	93,219	73,194	71,612	79,677	81,497	85,981	1,194,129
1979/80	109,659	139,252	125,649	136,436	153,387	112,953	121,564	86,356	93,553	102,788	101,552	92,026	1,375,175
1980/81	101,335	126,902	147,183	142,949									

1/ Includes meal and groats and durum. 2/ Includes macaroni, rolled wheat and bulgar.

*Totals may not add due to independent rounding.

SOURCE: Bureau of the Census.

Table 8.--Wheat: Monthly average export prices at selected ports, 1976-80

Year	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	Simple average
	Dollars per metric ton												
	GULF: NO. 1 HARD RED WINTER, ORDINARY PROTEIN												
1976/77	146	142	127	120	111	107	106	109	111	107	102	95	115
1977/78	93	97	96	100	104	112	115	114	116	124	130	124	110
1978/79	126	127	128	131	137	138	136	138	140	140	140	143	135
1979/80	168	175	169	174	178	178	180	176	173	164	156	161	171
1980/81	158	169	171	180									
	GULF: NO. 1 SOFT RED WINTER												
1976/77	129	128	115	114	105	101	101	103	106	102	100	94	108
1977/78	83	85	80	83	91	104	107	108	110	116	125	121	101
1978/79	123	124	126	130	136	141	137	140	144	144	144	141	136
1979/80	164	169	163	165	163	164	172	170	168	162	153	154	164
1980/81	146	163	165	176									
	PORTLAND: NO. 2 WESTERN WHITE												
1976/77	133	134	126	122	112	110	104	108	112	110	111	110	116
1977/78	105	107	108	105	104	109	112	118	124	128	136	134	116
1978/79	136	141	139	141	140	141	139	139	137	138	138	148	140
1979/80	171	178	167	163	160	157	155	157	162	157	155	148	161
1980/81	147	158	157	162									
	DULUTH: NO. 2 NORTHERN SPRING, 14% PROTEIN												
1976/77	162	155	137	126	120	115	111	112	114	111	111	105	123
1977/78	98	94	93	103	107	109	107	107	106	110	118	120	106
1978/79	119	116	117	121	127	129	120	122	123	126	127	138	124
1979/80	163	166	1/	167	167	158	150	1/	1/	1/	146	158	159
1980/81	158	174	168	170									

1/ No price quotes available.

Source: Grain Market News.

Table 9.--Wheat: Rotterdam, c.i.f., quotations for cargoes/parcels in nearest shipment position, by months, 1976-80 1/

Year	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	Simple average
	Dollars per metric ton												
	Canadian No. 1 CWRS - 13.5												
1976/77	2/188	2/175	158	156	145	141	139	145	146	135	133	134	150
1977/78	127	122	117	129	137	144	145	153	155	2/148	2/154	2/159	141
1978/79	2/157	161	163	166	170	177	NQ	NQ	2/169	2/164	2/159	NQ	165
1979/80	NQ	NQ	NQ	NQ	2/213	2/215	NQ	NQ	NQ	NQ	NQ	NQ	214
1980/81	NQ	NQ	NQ	NQ									
	United States No. 2 Hard Winter, 13.5%												
1976/77	172	176	159	150	139	131	132	133	140	132	130	121	143
1977/78	114	116	116	120	126	135	137	134	132	139	151	142	130
1978/79	150	146	147	148	156	161	157	155	160	165	157	166	156
1979/80	193	204	200	205	209	212	212	200	200	197	NQ	NQ	203
1980/81	198	203	209	214									
	United States Dark Northern Spring, 14%												
1976/77	181	176	158	148	138	137	142	145	148	134	130	127	147
1977/78	115	111	110	121	126	131	132	144	147	147	147	146	131
1978/79	142	138	140	144	153	159	150	164	170	164	154	166	154
1979/80	192	202	194	199	205	204	205	206	205	196	188	199	200
1980/81	197	212	212	212									

1/ Hamburg Mercantile Exchange prices for Rotterdam. Averages: Basis daily market quotes. 30 days delivery. 2/ Canadian Western Spring Wheat (CWRS)--No. 2--12.5 protein.

NQ - Not quoted.

Compiled from Foreign Agriculture Grain Circular, Foreign Agriculture Service.

Table 10.--Wheat and flour: Price relationships at milling centers, annual and by periods, 1977-80

Year and periods	At Kansas City					At Minneapolis				
	Cost of wheat to produce 100 lb. of flour 1/	Wholesale price of-				Cost of wheat to produce 100 lb. of flour 1/	Wholesale price of-			
		Bakery flour per 100 lb. 2/	Byproducts obtained 100 lb. flour 3/	Total products			Bakery flour per 100 lb. 2/	Byproducts obtained 100 lb. flour 3/	Total products	
				Actual	Over cost of wheat				Actual	Over cost of wheat
	Dollars									
1977/78										
June-Sept.	5.61	5.86	1.19	7.05	1.44	5.97	6.70	1.23	7.93	1.96
Oct.-Dec.	6.34	6.46	1.33	7.79	1.45	6.69	7.24	1.23	8.47	1.78
Jan.-Mar.	6.77	6.88	1.37	8.25	1.48	6.82	7.52	1.25	8.77	1.95
Apr.-May	7.54	7.86	1.14	9.00	1.46	7.45	8.52	1.08	9.60	2.15
Season average	6.56	6.76	1.26	8.02	1.46	6.73	7.49	1.20	8.69	1.96
1978/79										
June-Sept.	7.29	7.49	1.27	8.76	1.47	7.27	8.03	1.16	9.19	1.92
Oct.-Dec.	7.83	7.77	1.67	9.44	1.61	7.78	8.15	1.48	9.63	1.85
Jan.-Mar.	7.98	7.84	1.61	9.45	1.47	7.74	8.05	1.44	9.49	1.75
Apr.-May	8.31	8.46	1.35	9.81	1.50	8.26	8.65	1.29	9.94	1.68
Season average	7.85	7.89	1.47	9.36	1.51	7.76	8.22	1.34	9.56	1.80
1979/80										
June-Sept.	9.87	9.91	1.70	11.61	1.74	9.88	10.22	1.61	11.83	1.95
Oct.-Dec.	10.50	10.39	1.85	12.24	1.74	9.99	10.57	1.63	12.20	2.21
Jan.-Mar.	9.79	10.02	1.77	11.79	2.00	9.46	10.20	1.45	11.65	2.19
Apr.-May	9.24	9.75	1.50	11.25	2.01	9.61	10.04	1.36	11.40	1.79
Season average	9.85	10.02	1.70	11.72	1.87	9.73	10.26	1.51	11.77	2.04
1980/81										
June-Sept. 4/	9.81	10.11	1.81	11.92	2.11	10.46	10.83	1.63	12.46	2.00
Oct.-Dec.										
Jan.-Mar.										
Apr.-May										
Season average										

1/ Based on 73 percent extraction rate, cost of 2.28 bushels: At Kansas City, No. 1 Hard Winter, 13 percent protein, and at Minneapolis, No. 1 Dark Northern Spring, simple average of 13 percent and 15 percent protein. 2/ Quoted as 95 percent patent at Kansas City and standard patent at Minneapolis, bulk basis. 3/ Assumed 50-50 millfeed distribution between bran and shorts or middlings, bulk basis. 4/ Preliminary.

Compiled from reports of Agricultural Marketing Service and Bureau of Labor Statistics, Department of Labor.

Table 11.--Cereal and bakery products: Retail price index, 1967-80

Year	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	Average
	(Index 1967 = 100)												
1967	99.8	99.7	99.9	99.9	99.7	99.9	99.9	99.8	99.7	99.7	99.8	99.9	99.8
1968	100.1	100.6	100.9	101.1	101.1	101.4	101.4	101.7	101.9	102.3	102.4	102.6	101.5
1969	103.0	103.5	103.5	103.8	104.4	104.7	105.4	105.9	106.6	107.2	107.7	108.0	105.3
1970	108.2	108.7	109.8	110.2	111.0	111.2	111.6	112.4	112.8	113.0	113.9	114.1	111.4
1971	114.2	114.8	114.5	114.6	114.3	114.1	113.8	113.7	114.3	114.8	115.0	114.7	114.4
1972	114.5	114.4	114.4	114.6	114.6	115.0	115.8	116.3	117.8	119.0	120.2	122.1	116.6
1973	123.0	123.5	124.7	132.4	139.0	145.8	148.5	149.7	154.4	158.6	161.4	164.3	143.8
1974	165.3	166.7	168.2	170.4	174.7	177.6	181.7	185.3	187.3	189.1	188.9	187.0	178.5
1975	185.2	184.6	182.6	181.6	181.6	181.9	182.2	182.0	181.1	180.6	180.2	180.8	182.0
1976	181.3	180.9	180.3	180.4	180.1	179.9	179.3	179.9	180.0	181.3	182.6	182.5	180.7
1977	182.8	183.3	182.7	184.9	185.4	187.1	189.0	190.8	194.5	194.4	194.8	198.2	189.0
1978	199.4	201.3	203.1	203.8	205.1	206.6	207.9	210.0	212.2	213.5	214.5	216.2	207.8
1979	217.8	220.1	223.7	225.6	227.0	228.7	231.6	234.2	236.8	238.6	242.0	244.5	230.9
1980	245.9	247.8	249.2	250.3									

Bureau of Labor Statistics, U.S. Department of Labor.

Table 12.--Wheat and Wheat Flour: World trade, production, stocks and utilization, July-June 1977-80.

Country or region	1977/78	1978/79	1979/80	1980/81 as of Oct 15
	Million metric tons			
Exports:				
Canada	15.9	13.5	15.0	14.0
Australia	11.1	6.7	14.9	11.0
Argentina	2.6	3.3	4.7	4.6
Sub-total	29.5	23.5	34.6	29.6
EC-9	5.0	8.0	9.5	11.8
USSR	1.0	1.5	0.5	0.8
All others	5.8	6.0	3.5	5.9
Total non-U.S.	41.6	38.9	48.1	48.2
USA 1/	31.5	32.3	37.2	41.5
World total	73.1	71.2	85.3	89.7
Imports:				
EC-9	5.5	4.6	4.5	4.6
USSR	6.6	5.1	12.0	14.0
Japan	5.8	5.7	5.6	5.5
E. Europe	5.0	4.2	6.0	5.2
China	8.6	8.0	8.8	13.0
All others	41.4	43.5	48.4	47.3
World total	73.1	71.2	85.3	89.7
Production: 2/				
Canada	19.9	21.1	17.2	18.6
Australia	9.4	18.1	16.0	11.0
Argentina	5.7	8.1	8.1	8.4
EC-9	38.4	47.6	46.3	49.9
USSR 3/	92.2	120.8	90.1	101.0
E. Europe	34.5	35.8	27.6	34.9
India	29.0	31.7	35.0	30.5
All other foreign	98.4	115.5	121.1	121.5
Total foreign	327.4	398.8	361.4	375.9
USA	55.4	48.9	58.3	64.3
World total	382.8	447.7	419.7	440.1
Utilization: 4/				
USA	23.1	23.3	21.6	22.6
USSR 3/	106.8	106.5	115.6	116.2
China	49.6	62.0	69.3	68.0
All other foreign	219.3	238.4	235.8	240.1
World total	398.8	430.2	442.4	446.9
Stocks, ending: 5/	84.0	101.5	78.8	72.0

1/ Includes transhipments through Canadian ports; excludes products other than flour. 2/ Production data include all harvests occurring within the July-June year shown, except that small grain crops from the early harvesting Northern Hemisphere areas are "moved forward;" i.e., the May 1977 harvests in areas such as India, North Africa, and southern United States are actually included in "1977/78" accounting period which begins July 1, 1977. 3/ "Bunker weight" basis: not discounted for excess moisture and foreign material. 4/ Utilization data are based on an aggregate of differing local marketing years. For countries for which stocks data are not available, (excluding the USSR) utilization estimates represent "apparent" utilization, i.e., they are inclusive of annual stock level adjustments. 5/ Stocks data are based on an aggregate of differing local marketing years and should not be construed as representing world stock levels at a fixed point in time. Stocks data are not available for all countries and exclude those such as China and part of Eastern Europe; the world stock levels have been adjusted for estimated year-to-year changes in USSR grain stocks, but do not purport to include the entire absolute level of USSR stocks.

Source: Foreign Agricultural Service. World Grain Situation: FG-29-80.

TABLE 13.--RYE: MARKETING YEAR SUPPLY AND DISAPPEARANCE, SPECIFIED PERIODS, 1976-80

YEAR AND PERIODS BEGINNING JUNE 1	SUPPLY				DISAPPEARANCE							ENDING STOCKS		
					DOMESTIC USE									
	BEGIN-NING STOCKS	PRODUC-TION	IM-PORTS	TOTAL	FOOD	ALC. BEVER-AGES	SEED	FEED 1/	TOTAL	EX-PORTS	TOTAL DISAP-PEARANCE	GOVT. OWNED	PRI-VATELY OWNED 2/	TOTAL
	MILLION BUSHELS													
1976/77														
JUNE-SEPT.	4.4	15.0	0.2	19.6	1.2	0.5	2.1	1.7	5.5	3/	5.5	---	14.1	14.1
OCT.-DEC.	14.1	---	3/	14.1	1.0	0.5	1.9	1.8	5.2	3/	5.2	---	8.9	8.9
JAN.-MAR.	8.9	---	3/	8.9	0.9	0.6	0.2	1.0	2.7	3/	2.7	---	6.2	6.2
APR.-MAY	6.2	---	---	6.2	0.6	0.4	---	0.8	1.8	3/	1.8	---	4.4	4.4
MKT. YEAR	4.4	15.0	0.2	19.6	3.7	1.9	4.2	5.3	15.1	3/	15.2	---	4.4	4.4
1977/78														
JUNE-SEPT.	4.4	17.3	0.1	21.8	1.2	0.6	2.4	2.9	7.1	3/	7.1	---	14.8	14.8
OCT.-DEC.	14.8	---	---	14.8	1.0	0.5	2.2	1.8	5.5	3/	5.5	---	9.3	9.3
JAN.-MAR.	9.3	---	---	9.3	0.9	0.5	0.2	1.6	3.2	3/	3.2	---	6.1	6.1
APR.-MAY	6.1	---	3/	6.1	0.6	0.3	---	1.1	2.0	3/	2.0	---	4.1	4.1
MKT. YEAR	4.4	17.3	0.1	21.8	3.6	1.9	4.8	7.4	17.7	3/	17.7	---	4.1	4.1
1978/79														
JUNE-SEPT.	4.1	26.2	0.1	30.4	1.1	0.5	2.5	2.3	6.4	3/	6.4	---	24.0	24.0
OCT.-DEC.	24.0	---	---	24.0	1.1	0.6	2.2	3.8	7.7	3/	7.7	---	16.3	16.3
JAN.-MAR.	16.3	---	3/	16.3	0.9	0.7	0.2	1.8	3.7	3/	3.7	---	12.6	12.6
APR.-MAY	12.6	---	---	12.6	0.6	0.6	---	1.5	2.6	0.3	2.9	---	9.7	9.7
MKT. YEAR	4.1	26.2	0.1	30.4	3.7	2.4	4.9	9.4	20.4	0.3	20.7	---	9.7	9.7
1979/80														
JUNE-SEPT.	9.7	24.5	3/	34.2	1.2	0.6	2.2	3.0	7.0	0.6	7.6	0.2	26.4	26.6
OCT.-DEC.	26.6	---	---	26.6	0.9	0.4	1.8	2.8	5.9	1.6	7.5	0.2	19.0	19.2
JAN.-MAR.	19.2	---	3/	19.2	0.9	0.6	0.2	1.2	2.9	3/	2.9	0.2	16.0	16.2
APR.-MAY	16.2	---	3/	16.2	0.5	0.5	---	1.8	2.8	0.2	3.0	0.2	13.0	13.2
MKT. YEAR	9.7	24.5	3/	34.2	3.5	2.1	4.2	8.8	18.6	2.4	21.0	0.2	13.0	13.2
1980/81 4/														
JUNE-SEPT.	13.2	16.2	3/	29.4	1.1	0.5	2.2	3.6	7.4	3.2	10.6	0.2	18.6	18.8
OCT.-DEC.														
JAN.-MAR.														
APR.-MAY														
MKT. YEAR														

1/ RESIDUAL; APPROXIMATES TOTAL FEED USE. 2/ INCLUDES OUTSTANDING LOANS. 3/ LESS THAN 50,000 BUSHELS. 4/ PRELIMINARY.

*TOTALS MAY NOT ADD DUE TO ROUNDING.

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WS-254 **NOVEMBER 1980**

U.S.D.A. DEC 3 1980 CURRENT SERIAL RECORDS

Weights, Measures and Conversion Factors

Bushel weights:
- Wheat & soybeans = 60 lbs.
- Corn, sorghum & rye = 56 lbs.
- Barley (grain) = 48 lbs.: malt = 34 lbs.
- Oats = 32 lbs.

Bushels to metric tons:
- Wheat & soybeans = bushels x .027216
- Barley = bushels x .021772
- Corn, sorghum, rye = bushels x .025400
- Oats = bushels x .014515

1 Metric ton equals:
- 2204.622 lbs.
- 22.046 hundredweight
- 10 quintals
- 1,000 kilograms
- 36.7437 bushels wheat or soybeans
- 39.3679 bushels corn, sorghum, or rye
- 45.9296 bushels barley
- 68.8944 bushels oats

Area:
- 1 Acre = .404694 hectares
- 1 Hectare = 2.4710 acres

Yields:
- Wheat = bushels per acre x 0.6725 = quintals per hectare
- Rye, corn = bushels per acre x 0.6277 = quintals per hectare
- Barley = bushels per acre x 0.5380 = quintals per hectare
- Oats = bushels per acre x 0.3587 = quintals per hectare